Defense National Stockpile Center

Zinc

2004 International Zinc Conference

Phoenix, Arizona

February 22-25, 2004

Defense National Stockpile

- DNSC, part of DLA, sells commodities on the open market

- This stockpile of strategi critical materials was established to reduce US dependence on foreig sources of supply during national emergencies

DLA Headquarters, Fort Belvoir, Virgini

- ***DNSC currently stores 50 commodities valued at $1.7 Billion at 45 locations***

Zinc Sales Program

- Fiscal Year 2004 AMP: 50,000 ST (ceiling level)
- Based on import/consumption statistics from the USGS, AMP level represents the following:

  5% of U.S. Imports for Consumption (refined)

  3.65% of U. S. Apparent Consumption
- Sales levels have ranged significantly below the AMP since Fiscal Year 2001
- Current AMP Balance: 42,149 ST *as of 1/31/04*

Quality of Zinc

Sampling & assaying contract awarded to Andrew S. McCreath & Sons, Inc. September 2003

- Analysis progress:

  3 of 6 locations completed; 24% of total weight has been tested as of 1/30/04

- Analysis to distinguish grade

  tion

  in

  nce with

  ASTM B6-00

Stacking zinc bundles at the Warren,

Zinc Sales

FY	AMP Qty	QTY Sold	% Of AMP Sold
2000	50,000 ST	46,484 ST	93.0
2001	50,000 ST	26,546 ST	53.1
2002	50,000 ST	4,222 ST	8.4
2003	50,000 ST	6,637 ST	13.3
2004	50,000 ST	7,850.5 ST	15.7

Zinc bundles at Warren, Ohio

Original Purchase Specification Analysis

Type	Zinc (min.%)	Lead (max.%)	Iron (max%.)	Cadmium (max.%)
DNSC High Grade	99.90	0.07	0.02	0.07
ASTM B-6 High Grade	99.90	0.03	0.02	0.02
Type	(avg.)	(avg.)	(avg.)	(avg.)
DNSC Prime Western	98.62	1.3	0.05	0.10
ASTM B-6				

Original Purchase Specification Analysis

Type	*Zinc* (min.%)	*Lead* (max.%)	*Iron* (max%.)	*Cadmium* (max.%)
DNSC Intermediate	**99.50**	**0.20**	**0.03**	**0.50**
Type DNSC Brass Special	**99.00**	**0.60**	**0.03**	**0.50**

Typical size of slabs are: Width 9”; Length 18” and Thickness 1.5”

NOTE: Under the current ASTM B6-00, both Intermediate and Brass Special are no longer listed as grades.

Brass Special Analysis 2/04

J .1 Analysis of Material (MAY 02)

DLA-ZINC-004
Page 44 Of 56

BRASS SPECIAL

Location	Brand	Percent							
		Pb	Fe	Cd	Al	Cu	Sn	Total Non-Zn	Zn
Hammond. IN	Amco Blackwell	0.21	0.009	0.088	<0.001	0.004	<0.001	0.311	99.689
Hammond. IN	Amco Blackwell	0.26	0.011	0.10	<0.001	0.003	<0.001	0.374	99.626
Hammond. IN	Amco Blackwell	0.31	0.014	0.11	<0.001	0.004	<0.001	0.438	99.562
Hammond. IN	Amco Blackwell	0.29	0.018	0.077	<0.001	0.008	<0.001	0.393	99.607
Hammond. IN	Amco Blackwell	0.32	0.015	0.092	<0.001	0.003	<0.001	0.430	99.570
Hammond. IN	Amco Blackwell	0.39	0.017	0.091	<0.001	<0.001	<0.001	0.498	99.502
Hammond. IN	Amco Blackwell	0.36	0.022	0.090	<0.001	0.003	<0.001	0.475	99.525
Hammond. IN	Amco Blackwell	0.27	0.009	0.087	<0.001	0.009	<0.001	0.375	99.625
Hammond. IN	Amco Blackwell	0.35	0.010	0.078	<0.001	0.005	<0.001	0.443	99.557
Hammond. IN	Amco Blackwell	0.30	0.011	0.088	<0.001	0.002	<0.001	0.401	99.599
Hammond. IN	Amco Blackwell	0.26	0.013	0.094	<0.001	0.003	<0.001	0.370	99.630
Hammond. IN	Amco Blackwell	0.32	0.014	0.10	<0.001	0.003	<0.001	0.437	99.563
Hammond. IN	Amco Blackwell	0.33	0.013	0.093	<0.001	0.006	<0.001	0.442	99.558
Hammond. IN	Amco Blackwell	0.27	0.013	0.092	<0.001	0.004	<0.001	0.379	99.621
Hammond. IN	Amco Blackwell	0.26	0.014	0.10	<0.001	0.006	<0.001	0.380	99.620
Hammond. IN	Amco Blackwell	0.31	0.011	0.083	<0.001	0.002	<0.001	0.406	99.594
Hammond. IN	Amco Blackwell	0.29	0.009	0.085	<0.001	0.007	<0.001	0.391	99.609
Hammond. IN	Amco Blackwell	0.16	0.011	0.10	<0.001	0.007	<0.001	0.278	99.722
(this analysis only - material formerly at Sharonville, OH)									
Scotia. NY	VFZ	0.17	0.014	0.120	<0.001	0.002	0.030	0.336	99.664
Point Pleaant. WV	National Zinc Co.	0.52	0.010	0.046	<0.001	0.002	<0.001	0.578	99.422

NOTE: The analysis results included are for informational purpose only - See Section A.4.

Zinc Analysis – completed as of 2/04

J .1 Analysis of Material (Spring 2004)

DLA-BASE METALS-001

Zinc

Percent

Location	Brand	Grade	Pb	Fe	Cd	Al	Cu	Sn	Total Non-Zn	Zn
Marietta. PA	Eagle Picher	PW	0.353	0.008	0.096	<0.002	<0.002	<0.001	0.457	99.540
Marietta. PA	U.S. Smelting	HG	0.014	<0.002	0.005	<0.002	<0.002	<0.001	0.019	99.980
Marietta. PA	Page Electro	HG	0.018	<0.002	0.006	<0.002	<0.002	<0.001	0.024	99.970
Marietta. PA	Pinoche CMR	HG	0.011	<0.002	0.005	<0.002	<0.002	<0.001	0.016	99.980
Marietta. PA	Unknown	UNK	0.401	0.012	0.035	<0.002	<0.002	0.004	0.450	99.550
Marietta. PA	Anaconda	HG	0.011	<0.002	0.005	<0.002	<0.002	<0.001	0.016	99.980
Point Pleasant. WV	Eagle Picher	PW	0.493	0.009	0.085	<0.002	<0.002	0.001	0.588	99.410
Point Pleasant. WV	Meadowbrook	INT	0.153	0.008	0.079	<0.002	<0.002	0.001	0.240	99.760
Point Pleasant. WV	Blackwell	INT	0.087	0.014	0.005	<0.002	0.002	0.002	0.110	99.890
Somerville. NJ	Polska	PW	1.03	0.016	0.075	0.005	0.002	0.002	1.130	98.870
Somerville. NJ	CRC	PW	1.06	0.004	0.071	<0.002	<0.002	0.002	1.140	98.860
Somerville. NJ	V.M.	PW	1.02	0.020	0.099	<0.002	0.012	0.002	1.150	98.840
Somerville. NJ	CXO	HG	0.025	0.004	<0.002	<0.002	<0.002	0.002	0.031	99.960
Somerville. NJ	Prayon	PW	1.24	0.012	0.060	<0.002	0.002	0.002	1.320	98.680
Somerville. NJ	MSC	PW	1.12	0.015	0.039	<0.002	0.004	<0.001	1.180	98.820
Somerville. NJ	Rothem	PW	1.12	0.037	0.100	<0.002	0.009	0.005	1.270	98.730
Somerville. NJ	CDEP-Peru	PW	0.931	0.028	0.124	<0.002	0.041	0.016	1.140	98.860
Somerville. NJ	Della Campine	PW	1.29	0.030	0.102	<0.002	0.006	0.009	1.440	98.560
Somerville. NJ	Weser Extra Raff	PW	0.93	0.024	0.138	<0.002	0.013	0.024	1.130	98.870

NOTE: The analysis results included are for informational purpose only
Analysis conducted in CY 2004

Zinc
Sales Inventory January 2004

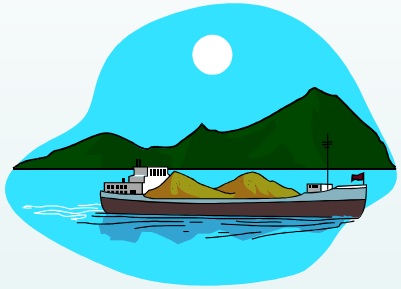
	Lbs.	Metric Tons
High Grade		
Voorheesville, NY	**65,077,962**	**29,519**
New Haven, IN	**56,006,000**	**25,404**
Marietta, PA	**28,333,519**	**12,852**
Scotia, NY	**1,300,702**	**590**
Somerville, NJ	**595**	**.27**
Total :	*68,365.44*	
Prime Western		
Pt Pleasant, WV	**28,081,070**	**15,684**
Somerville, NJ	**13,060,050**	**5,924**
Warren, OH	**36,436**	**16.53**
Hammond, IN	**13,514**	**6.13**
Mechanicsburg, PA	**6,651,575**	**3,017**
Total :	*24,644.29*	
High Grade, Anaconda brand - Banded as of 01.29.04		
New Haven	**46,600,834.84**	**21,138**

Zinc
Sales Inventory January 2004

	Lbs.	Metric Tons
Intermediate		
Pt Pleasant, WV	**168, 519**	**76**
Total :		**7(**
Brass Special		
Scotia, NY	**8,605,149**	**3,903**
New Haven, IN	**701,062**	**318**
Hammond, IN	**8,545,964**	**3,877.47**
Pt Pleasant, WV	**132,825**	**60**
Total :	***8,158***	
Unknown		
Scotia, NY	**1,001**	**.45**
Voorheesville	**24,259.64**	**11.004**
Total:	***11.454***	

Loading zinc in Scotia New York

Accessibility



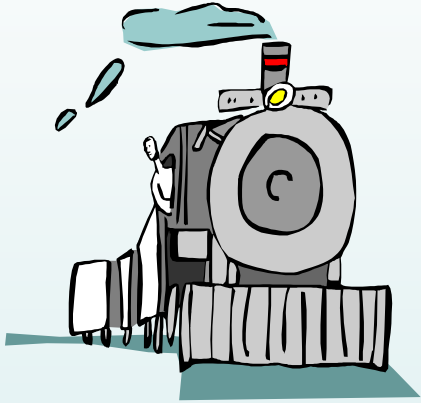
Location Mode Nearest Barge Facility

- Voorheesville, NY Truck Scale (unavailable) Port of Albany, NY
  Approx. Distance: 15 miles
  Website: www.portofalbany.com

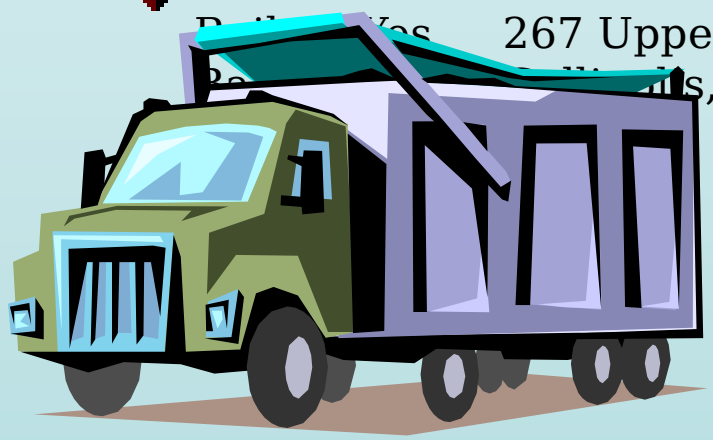
- New Haven, IN Truck: Yes None. This site is far East of Michigan's Rail: Yes Barge: No waters.

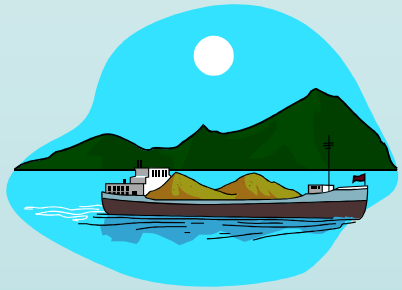
- Marietta, PA Truck: Yes Philadelphia Regional Port Authority
  POC: Dominque Phone: 215.426.2600

Accessibility



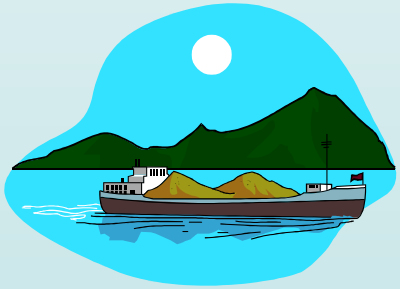
Location	Mode	Nearest Barge Facility
Scotia, NY	Truck: Yes	Port of Albany, NY
Rail: No	Approx. Distance: 22 miles	
Barge: No	Website: www.portofalbany.com	
Somerville, NJ	Truck: Yes	American Stevedoring Inc.(ASI)
Rail: Yes	Port Newark, NJ	
Barge: No	POC: Don Hamm	
Phone: 973.522.0900		
Point Pleasant	Truck: Yes	O-KAN Marine Terminal
[illegible] Yes	267 Upper River Road	
[illegible]	[illegible]s, OH	





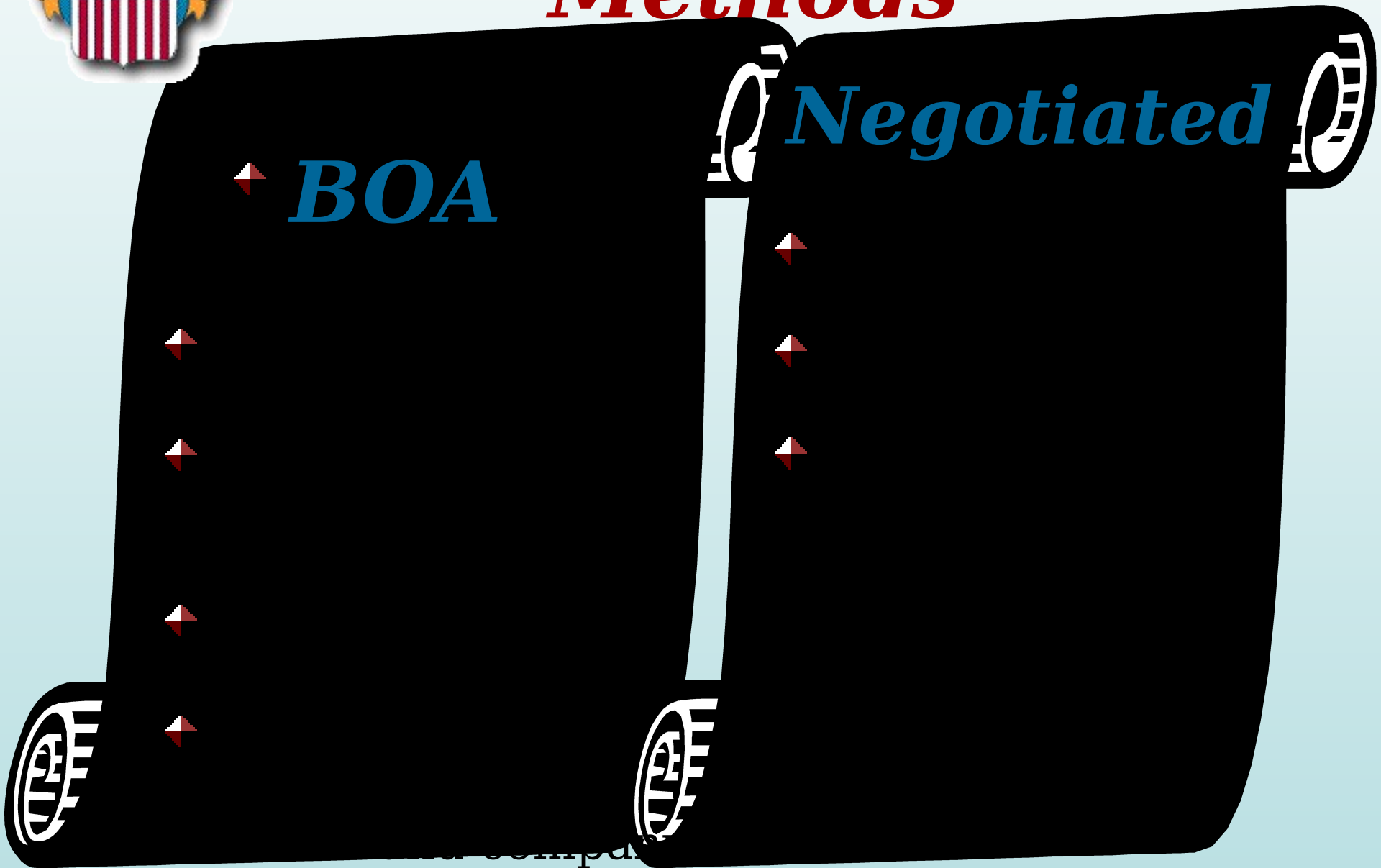
Accessibility

Location	Mode	Nearest Barge Facility
Warren, OH	Truck: Yes	1. S&H Bell
Rail: Yes	2217 Michigan Ave	
	PO Box 1568	
	OH 43920	
	.5083	
	al	
	052	
	.8850	
Hammond, IN	Truck: Yes	Arrow Terminal
Rail: Yes	Carondolet Ave – South Chicago	
Barge: No	Approx. Distance: 6 miles from	Hammond



Sales Methods

Current Zinc Sales Methods



Advantages - BOA

- Allows flexibility
- Responsive to the market
- Material offered weekly
- Fill a “Spot” need in the marketplace

- DNSC selects quantity and quality of material being offered.
- Pre-qualification and established negotiated special terms

Advantages - Negotiated

- Custom designed contract terms to complement various business needs.
- Establish removal schedule to conform with production/consumption requirements.
- Material quantity/quality of choice is set aside, available when needed
- Plan/forecast business levels for longer periods of time.
- Relative value of inventory known for budget purposes as set formula for pricing material is established in the contract.
- Eliminates need for storing large amounts of material and establishes “just in time” inventory.
- Attempts to conform with long term arrangements offered by commercial material suppliers.
- Convenient, reliable domestic source of material

with the SSA, the Stockpile is "open" 24/7!

Strategic Supply Alliance

es (n

Getting started is as easy as 1, 2, 3 ...

1. ***Qualify –***

submit reps & identifications (see Section 1)

sign agreement

submit financial statements (to establish exposure limits)

2. ***Log In -***

register on the web site, get your secure password

follow the on-line prompts to complete the

ess

(call us if you have any trouble)

3. ***Select your***

materi… Pay…

Take Delivery !

Advantages Strategic Supply Alliance - SSA

- Enables immediate reaction to production/consumption overruns or crises.
- Allows inventory purchases to fill “spot” needs 24 hours a day 7 days a week.
- Quick confirmation of sale expedites the release & shipment of materials.

- No long term planning or forecasting required
- Extensive shopping list to choose from.
- *You* decide *what*, and *when* to buy
- Process is totally interactive

Currently offered under SSA: Tungsten Ores & Concentrates, Tannin
Under consideration for FY04: Cobalt, Zinc

What's New at DNSC

- New look to DNSC web-site
- New business practices
- Potential change/addition in payment methods
- Goal to be paper-free

Payment Options

1. Company Check (handled through traditional banking process)

2. Automated/ Accelerated Check Processing

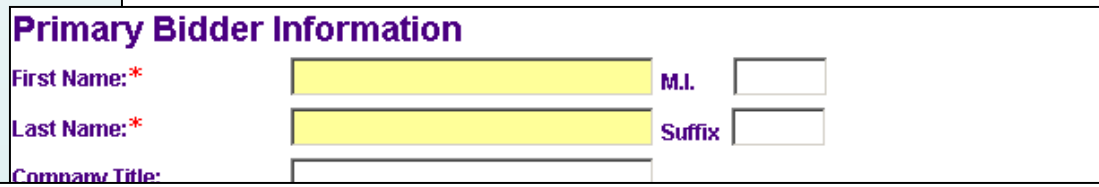
3. Electronic Funds Transfer (wire transfer)
   - Convenience
   - Cost

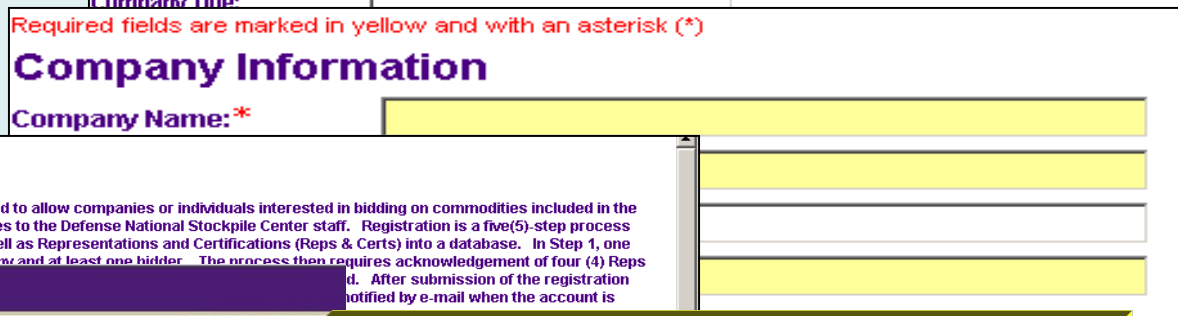
Financial Responsibility Determination

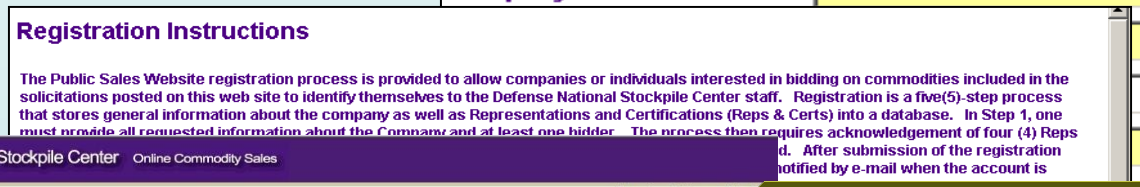
- Establish Financial Exposure Limit for all Companies
- Monitor Financial Risks
- Monitor Performance

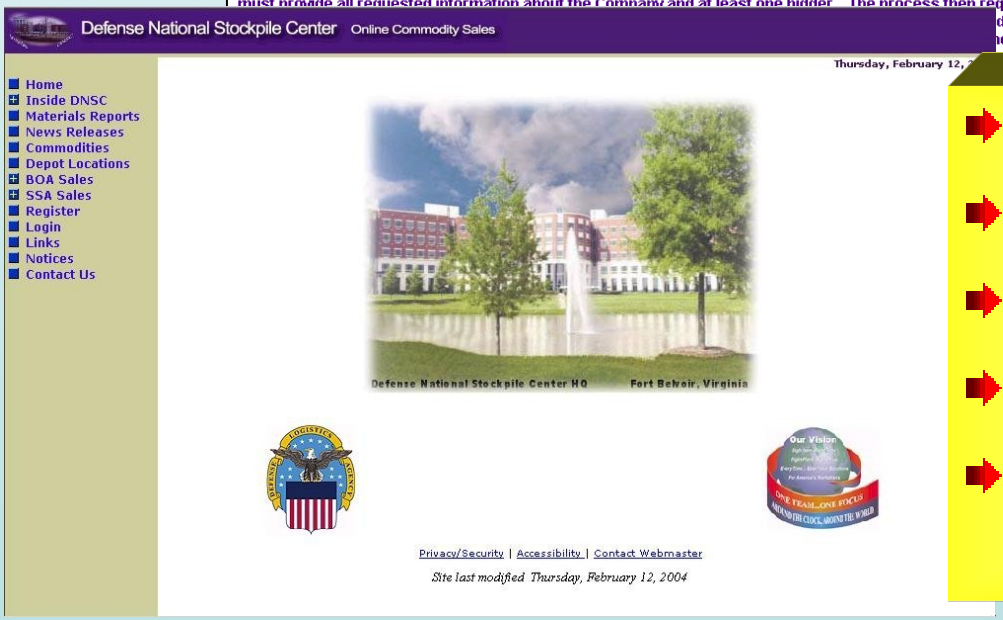
Web Site

Required fields are marked in yellow and with an asterisk (*)
I5. Type of Business Organization (APR 96)
The Offeror represents that the:
A. Domestic Organization operates as * a corporation operating in the state of * Virginia



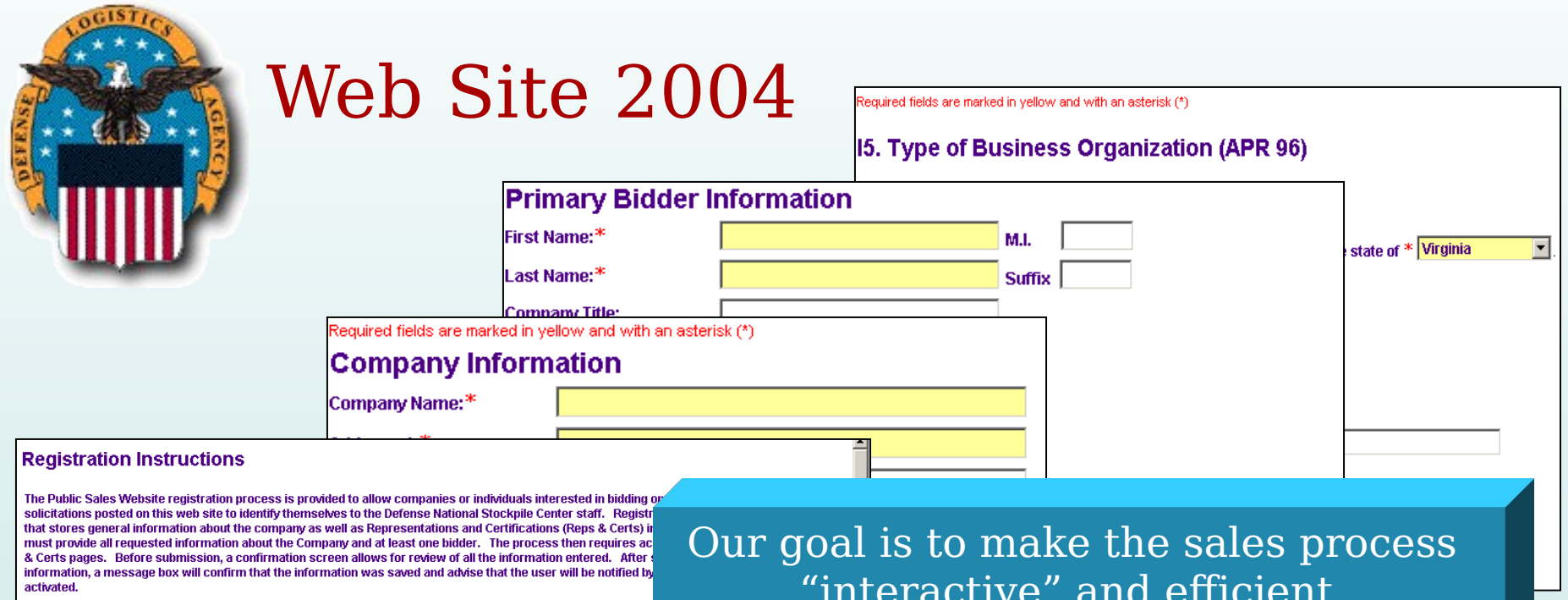



Registration Instructions
The Public Sales Website registration process is provided to allow companies or individuals interested in bidding on commodities included in the solicitations posted on this web site to identify themselves to the Defense National Stockpile Center staff. Registration is a five(5)-step process that stores general information about the company as well as Representations and Certifications (Reps & Certs) into a database. In Step 1, one



- New Appearance
- Interactive Bidding
- Register for login/password
- Updated Information
- Customer/User Friendly

Web Site 2004


Required fields are marked in yellow and with an asterisk (*)
I5. Type of Business Organization (APR 96)
Primary Bidder Information
First Name:*
M.I.
Last Name:*
Suffix
state of * Virginia
Required fields are marked in yellow and with an asterisk (*)
Company Information
Company Name:*
Registration Instructions
The Public Sales Website registration process is provided to allow companies or individuals interested in bidding on
solicitations posted on this web site to identify themselves to the Defense National Stockpile Center staff. Registr
that stores general information about the company as well as Representations and Certifications (Reps & Certs) i
must provide all requested information about the Company and at least one bidder. The process then requires ac
& Certs pages. Before submission, a confirmation screen allows for review of all the information entered. After
information, a message box will confirm that the information was saved and advise that the user will be notified by
activated.
Step1. Company Information
Enter all information about the company and at least one primary bidder.
The following information is required:
Company Name, Address 1 (Street Address), City, State, Zip, Country, Company Phone Number, Company Size, Primary Bidder First N
Address, Usern ord and a confirmation of the password.
Step2. I.5 - Type of Business Organization
In Step 2, one must first select whether the organization is a domestic or foreign entity. Then appropriate choices mu
organization (corporation, individual ownership, partnership, nonprofit, or joint venture), and the state or country that i
If a corporation is selected, then the appropriate information must be entered in Section C to identify whether the corpo
owned by or controlled by another entity.
Step 3. I.6 - Authorized Negotiator
The following fields are required for at least one negotiator (bidder):
First Name, Last Name, Company Title, Phone Number, and Fax Number.
If any information is entered for a second or third negotiator, all the required fields must be completed.
Step 4. I.7 - Persons authorized to request shipment of material
The following fields are required for at least one requestor:
First Name, Last Name, Company Title, Phone Number, and Fax Number.
If any information is entered for a second or third shipping requestor, all the required fields listed above must be comp

Our goal is to make the sales process "interactive" and efficient.

- Log-on password
- Interactive shipping releases

Check the site for the latest Solicitation, Amendment & Offering information as well as updated commodity stats.

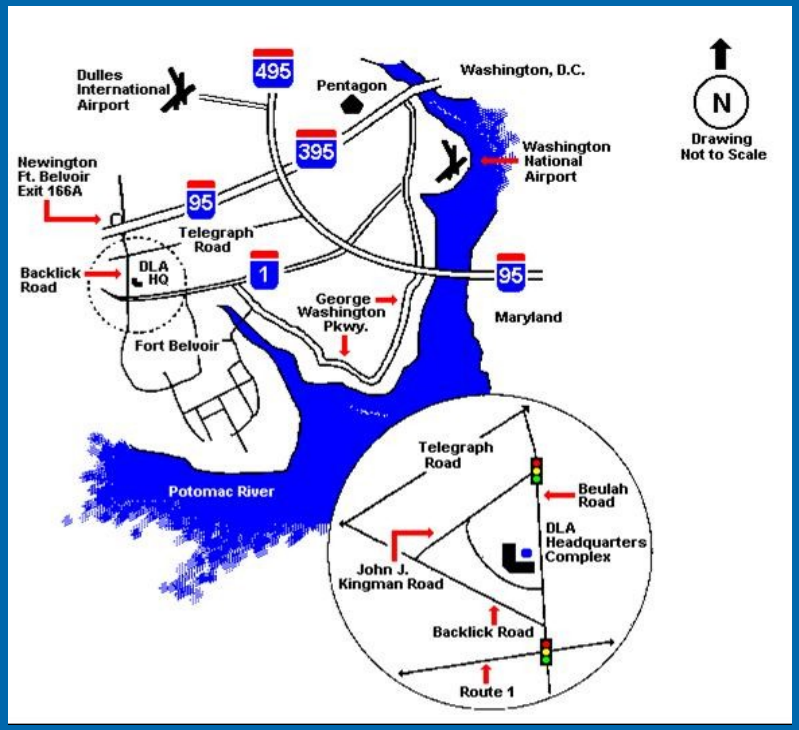
For help navigating the site, contact

Martha Hochberg 703-767-5503

Come Visit Us

703-767-5500

…at the office



Fort Belvoir, Virginia

…or on our website

https://www.dnsc.dla.mil

Defense National Stockpile

Points of Contact

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FRANK RINGQUIST
Director, Marketing, 703-767-6479

JENNIFER IRIBARREN, CONTRACTING OFFICER

703-767-5487

James Greczek, Contract Specialist
703-767-0331

Defense National Stockpile

Base Metals Industry Meeting

Zinc, Lead, Tin

Wednesday, March 31, 2004

Hilton New York, New York City

10:00 am – 1:00 pm

Defense National Stockpile

Base Metals SSA Solicitation draft

is currently available for review on the DNSC web site.

https://www.dnsc.dla.mil

If you are interested in attending the

DNSC Base Metals Industry Meeting

please email Pandora Johns for details

Pandora.johns@dla.mil